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EXAMINER

HARBECK, TIMOTHY M

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 09/30/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/827,333

Applicant(s)

QURASHI ET AL.

Examiner

Timothy M. Harbeck

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 06 April 2001.
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-28 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 1-28 is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☒ The drawing(s) filed on 06 April 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Objections

Claims 16 and 17 are objected to because of the following informalities: The claims are said to be dependent upon Claim 13 of the application, however this is incorrect since Claim 13 refers to a rules engine and Claims 16 and 17 are method claims. It appears as if applicant intended Claims 16 and 17 to depend from Claim 15 and have been examined under this assumption. Appropriate correction is required.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1, 4-11, 14-19, 22-23 and 27-28 are rejected under 35 U.S.C. 102(b) as being anticipated by DeTore et al (US Pat No 5,732,397).

Re Claim 1: DeTore discloses an automated decision making arrangement comprising

- An input circuit for receiving at least one transaction (Fig 1, Ref 16 and Fig 3 Ref 50)
- A storage medium having rules stored thereon (see Ref 24 and Column 3 lines 26-35), at least one rule having a plurality of outcomes appropriate to a transaction capable of being selected by a user (Column 4, lines 33-35).

Re Claim 4: DeTore further discloses the step in which one outcome of the plurality of outcomes includes forwarding the at least one transaction to a user for approval (Column 8, lines 9-21). In the DeTore disclosure, all relevant information and automated recommendations are forwarded to a user who can then either approve or overrule the system.

Re Claim 5: DeTore further disclose the step in which one outcome of said plurality of outcomes includes automatic approval of an order submitted with said transaction (Column 5, line 59- Column 6 line 9).

Re Claim 6: DeTore discloses an automated decision making arrangement comprising

- An input circuit for receiving at least one transaction (Fig 1, Ref 16 and Fig 3 Ref 50)
- A storage medium having rules stored thereon (see Ref 24 and Column 3 lines 26-35), at least one rule having a scope of application which can be selectively set by a user (Column 3, lines 26-36)

Re Claim 7: DeTore discloses the claimed method supra and further discloses the step in which the scope of the application is capable of being set to the account level (Column 3, lines 26-29)

Re Claim 8: DeTore discloses the claimed method supra and further discloses the step in which the scope of the application is capable of being set to the registered representative level (Column 5, lines 13-27). The DeTore disclosure references a

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"decision manager" which serves the same capacity as the registered representative in applicants disclosure.

Re Claims 9-11: DeTore disclose the claimed method 6 as stated previously. DeTore has also shown, via rejections to claims 7 and 8 above, that the scope of the application is capable of being set to different levels in a hierarchal system. It follows then that if the scope of the application is capable of being set to the account level and the registered representative level, it would be capable of being set to the office, firm or global level, or any other level deemed appropriate in a hierarchal order.

Re Claim 14: DeTore discloses an automated decision making arrangement comprising

- An input circuit for receiving at least one transaction (Fig 1, Ref 16 and Fig 3 Ref 50)
- A storage medium having rules stored thereon (see Ref 24 and Column 3 lines 26-35), at least one rule having parameters which can be selectively set by a user (Column 3, lines 26-35).

Re Claim 15: DeTore further discloses a method for processing a transaction comprising the step of checking the transaction by applying rules in order of increasing scope (See discussion of Fig 3, Column 5, lines 51-Column 7, line 5). As shown in Figure 3, the rules of the transaction are first applied at the account level (Ref 52), and later applied, according to increasing scope, to the human decision maker (account manager, Ref 64).

Re Claim 16: DeTore discloses the claimed method supra and further discloses the step in which rules are applied by first applying rules at the account level, then rules at the registered representative level (See Discussion Re Claim 15 and Fig 3). The reference does not explicitly disclose then applying the rules at the office level, then rules at the firm level and then rules at the global level, however as discussed previously with regards to Claims 9-11, in the DeTore embodiment the scope of application of said rules is capable of being set to different levels in a hierarchal system. DeTore shows in Figure 3 that the rules can be applied in order of increasing scope and therefore it follows that the rules, after the registered representative level, be applied at the office level, then rules at the firm level and then rules at the global level, and then rules at any other potential higher level deemed appropriate in a hierarchal order.

Re Claim 17: DeTore discloses the claimed method supra however the reference does not explicitly disclose the step in which the rules include compliance rules. However, it was well known in the art at the time of invention that any company that does not adhere to compliance rules associated with the Securities and Exchange Commission and exchange regulations could be subject to disciplinary action such as being barred from trading. It would have been obvious to someone skilled in the ordinary art at the time of invention to include compliance rules in the rules engine to ensure that the system can legally operate in an organized stock exchange.

Re Claim 18: DeTore discloses an automated decision making arrangement comprising:

- A client process for generating and sending a transaction containing an order for execution (Column 1, lines 52-66 'input means'; Figure 3, Ref 50)
- A rules engine for receiving said transaction from said client process and applying at least one user configurable rules to said transaction (See Figure 3, Refs 52, 54; Column 3, lines 26-35)
- At least one execution process for receiving said order from said rules engine and for executing the order, when the application of rules by said rules engine results in an approved outcome (Column 5, lines 62-Column 6, lines 9; Figure 3 Refs 54 and 56)

Re Claim 19: DeTore discloses the claimed method supra and further discloses the step wherein at least one user configurable rule comprises at least one rule with user configurable outcomes (Column 3, lines 26-28).

Re Claim 22: DeTore discloses the claimed method supra and further discloses the step wherein at least one user configurable rule comprises at least one rule with user configurable scope of application (Column 3, lines 26-35).

Re Claim 23: DeTore discloses the claimed method supra and further discloses the step wherein at least one user configurable rule comprises at least one rule with user configurable parameters (Column 3, lines 26-35).

Re Claim 27: DeTore discloses an automated decision-making arrangement comprising:

- An input circuit for receiving at least one transaction (Fig 1, Ref 16 and Fig 3 Ref 50)
- A storage medium having at least one rule relating to identification of compliance violations related to a transaction (Column 1, line 63- Column 2, line 5), the at least one rule triggering an action for managing risk (Column 3, line 26-35)

Re Claim 28: DeTore discloses an automated decision making arrangement comprising a client process for generating and sending a transaction containing an order for execution (Column 1, lines 52-66 'input means'; Figure 3, Ref 50)

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 2, 12, 13, 20 and 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over DeTore in view of Toy (US Pat No 4,554,418).

Re Claim 2: DeTore discloses the claimed method 1 as previously stated, however DeTore does not explicitly disclose the step in which one outcome of said plurality of outcomes includes providing warning information to a user. Toy discloses an information monitoring and notification method and apparatus wherein "it becomes an object of the present invention to provide an economical system for monitoring financial

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market data and for informing investors upon occurrence of particular events or trends of interest (Column 2, lines 35-52).” In this manner, a user of the Toy system could receive a warning notice if, for example, the market value of a stock owned by the user drops below a pre determined threshold. It would have been obvious to someone skilled in the ordinary art at the time of invention to include the teachings of Toy to the decision-making arrangement of DeTore so that a user of the system could receive a warning notice if, for example, the market value of a stock owned by the user drops below a pre determined threshold. This would be valuable to the user because they could then take appropriate action, whether it be to sell the stock or reevaluate his position.

Re Claim 12: DeTore discloses the claimed method 6 as previously stated, but does not explicitly disclose the step wherein a rule is accompanied by a message to be sent when a rule is violated. Toy discloses an information monitoring and notification method and apparatus wherein “it becomes an object of the present invention to provide an economical system for monitoring financial market data and for informing investors upon occurrence of particular events or trends of interest (Column 2, lines 35-52).” Toy continues, “Upon occurrence of any of these specified conditions, the method and apparatus of the present invention automatically initiates a contact sequence for notifying the user of such occurrence (Column 5, lines 18-21).” In this case, the “specified conditions,” would be the violation of a pre-determined rule. It would have been obvious to someone skilled in the ordinary art at the time of invention to include

the teachings of Toy to the method of DeTore so that a user of the system could be informed when a rule is violated and take appropriate action as soon as possible.

Re Claim 13: DeTore in view of Toy discloses the claimed method supra and Toy further discloses the step in which the text of said message can be changed by an user for a selected level (Column 7, lines 22-28).

Re Claim 20: DeTore discloses the claimed method supra and further discloses the step in which the user configurable outcomes are selected from a group comprising:

- Forwarding the order to a process for execution (Fig 3, Ref 50,52,54)
- Forwarding the order to a user for approval (Fig 3, Ref 64, Column 5 lines 13-18)
- Rejecting the order (Column 6, lines 41-44)

DeTore does not explicitly disclose the step of providing a warning to a user about the order, however Toy discloses such a step (Column 2, lines 35-52). It would have been obvious to someone skilled in the ordinary art at the time of invention to include the teachings of Toy to the decision-making arrangement of DeTore so that a user of the system could, for example, receive a warning that an order they have placed does not meet the pre defined criteria that the user has established as necessary for the transaction. If this step were not in place a user could inadvertently enter into a transaction to which they would normally object.

Re Claim 21: DeTore in view of Toy discloses the claimed method supra and DeTore further discloses the step in which forwarding the order to a process for execution includes forwarding the order to a selectable of a process for executing a

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stock or option trades, a process for executing mutual fund trades, and a process for executing trades in fixed income instruments (Column 3, lines 48-50).

Claim 3 is rejected under 35 U.S.C. 103(a) as being unpatentable over DeTore in view of Kalmus et al (hereinafter Kalmus US Pat No. 4,674,044).

Re Claim 3: DeTore discloses the claimed method supra except for the explicit disclosure wherein one outcome of said plurality of outcomes includes prohibiting execution of an order by said transaction. Kalmus discloses an automated securities trading system wherein “the processor first determines whether or not each received transaction can be executed, i.e., qualifies the order. There are various reasons why an order will not be executed by the market maker (Column 5, lines 6-21).” It would have been obvious to someone skilled in the ordinary art at the time of invention to include the teachings of Kalmus to the invention of DeTore so that certain orders that do not meet the pre determined rules are not executed. If the orders were be allowed to be placed, in violation of the rules it would render the decision making tool useless.

Claims 24-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over DeTore in view of Fernholz (US Pat No 5,819,238).

Re Claim 24: DeTore discloses an apparatus comprising:

- A client for generating and sending a transaction containing a request (Figure 3, Ref 50, 52)

- A rules engine for receiving said transaction from said client process and applying at least one user configurable rule to said transaction (Figure 3, Ref 52, 54; Column 3 lines 26-35)

DeTore does not explicitly disclose the steps wherein the sending of a transaction contains a request to transfer assets between accounts or at least one execution process for receiving said request from said rules engine and for transferring assets as requested, when application of rules by said rules engine results in an approved outcome. Fernholz discloses an apparatus for automatically modifying a financial portfolio through dynamic re-weighting based on a non-constant function of current capitalization weights that contain these steps. Fernholz discloses a "computer then issues digital trading instructions, each of which represents a trade of a corresponding security to e.g., an electronic trading network such that current assets held in the portfolio are to be distributed, upon execution of the instructions" (Column 4, line 67- Column 5 line 4). Essentially an input request is made concerning the balance of assets among a portfolio and in response to these requests; assets are transferred amongst various accounts to meet certain distribution requirements. It would have been obvious to someone skilled in the ordinary art at the time of invention to include the request and execution for transferring of assets as disclosed by Fernholz to the decision making tool of DeTore so that a user can not only have a decision made regarding their financial requests, but also have the decision executed. IF someone were to use a decision making tool, it is probable that they would use the recommendations of the

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system. It would thus streamline the process if the same system could upon approval execute the actions as well.

Re Claim 25: DeTore in view of Fernholz discloses the claimed method supra and DeTore further discloses the step wherein at least one user configurable rule comprises at least one rule with user configurable scope of application (Column 3, lines 26-35).

Re Claim 26: DeTore in view of Fernholz discloses the claimed method supra and DeTore further discloses the step wherein at least one user configurable rule comprises at least one rule with user configurable parameters (Column 3, lines 26-35).

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).


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